

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Call to Order: By **CHAIRMAN DONALD L. HEDGES**, on February 20, 2003 at 8:10 A.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. Donald L. Hedges, Chairman (R)
Sen. Royal Johnson, Vice Chairman (R)
Rep. Rosalie (Rosie) Buzzas (D)
Sen. John Esp (R)
Rep. Eve Franklin (D)
Rep. Dave Lewis (R)
Sen. Bea McCarthy (D)

Members Excused: None.

Members Absent: None.

Staff Present: Amy Carlson, OBPP
Pam Joehler, Legislative Branch
Diana Williams, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed. Tape counter notations refer to the material immediately preceding.

Due to a scheduling conflict, Jim Standaert, Legislative Branch, could not be at this meeting.

The other dates that the Library Commission had executive action was January 10 and February 11.

Committee Business Summary:

Hearing & Date Posted: None

Executive Action: HB 73
HB 193
HB 459
Library Commission

The purpose of the executive actions for each of the bills is to provide a recommendation to the full Appropriations Committee.

EXECUTIVE ACTION ON HB 193

Motion: REP. LEWIS moved to TABLE HB 193.

CHAIRMAN HEDGES said that this is a non-debatable motion.

Further discussion was over whether a tabled motion could occur. It was stated that in the Senate, the computer cannot table a bill but in the House, the computer can accept tabled motions.

REP. LEWIS said that he would withdraw this motion so a discussion could occur.

Motion: REP. BUZZAS moved HB 193 DO PAS.

{Tape: 1; Side: A; Approx. Time Counter: .0 - 3.8}

Discussion:

REP. FRANKLIN said that this bill provides a funding formula that is straightforward and workable. It gives the monies to the school districts so everyone knows where the money would be going. With the normal funding formula it is complicated, and she said that we may not know where the money is going. With this bill, she said that simplicity is the asset with the funding formula.

REP. BUZZAS said that this piece of legislation had a good hearing on the floor of the House and passed. It should be kept alive rather than having it tabled. A full debate would allow the potential of seeing if this funding is a viable solution. It could provide another option. She ended by saying "I hope that we could pass this bill."

SEN. JOHNSON said that this committee is suppose to give the full Appropriations Committee an indication as to whether the bill is liked or not. He said he liked the bill because it explained where the money is going, but the problem is that it doesn't explain how the money is going to materialize. He thought that a "do not concur" or "indefinitely postponed" might work since it would allow for discussion. With a tabled motion, to him that meant there was no more discussion. He said that he couldn't support this bill because the money isn't there, nor does he know where it could come from.

REP. LEWIS said that this committee could inform the full Appropriations Committee the outcome of a "do pass" vote.

CHAIRMAN HEDGES said that we should be honest with the recommendation to the full committee. He said that he has grave concerns about this piece of legislation. The base program was used to attempt what this bill is doing - funding the schools that had fewer students and more staff.

CHAIRMAN HEDGES said this legislation is sending a message to the school districts that the greater number of staff, the greater the support by the State. And he said that the base program does not do this. He said that if a third dimension to the funding formula would occur, it should be incorporated into the base, student ANB. This would allow a three-legged flow of revenue. Since that idea isn't in this bill he felt it was a bad move to move forward with this piece of legislation. So he said "I would entertain a recommendation to full Appropriations that this bill is tabled."

REP. BUZZAS said that she would consider amending her motion to say that we "put a hold on it" or whatever correct language is needed.

SEN. ESP made a substitute motion to **TABLE HB 193**.

{Tape: 1; Side: A; Approx. Time Counter: 3.9 - 9.3}

There was discussion on what this tabled motion would do. **REP. LEWIS** said that if the motion is passed, this bill would still be discussed with the full Appropriations Committee.

{Tape: 1; Side: A; Approx. Time Counter: 9.4 - 12.8}

Vote: Motion carried 4-3 with **REPS. BUZZAS, FRANKLIN, and SEN. McCARTHY** voting no by roll call vote.

{Tape: 1; Side: A; Approx. Time Counter: 12.9 - 13.5}

EXECUTIVE ACTION ON HB 73

Motion: **REP. BUZZAS** moved **HB 73 DO PASS**.

Discussion:

SEN. McCARTHY said that she hoped that this committee could bring this bill along.

REP. BUZZAS said that this bill provides a well thought out option for funding and one in which many of the education communities liked. She said that they made a good case at the public hearing. And she ended by saying that it is worthy to have different options to look at as this process moves forward.

{Tape: 1; Side: A; Approx. Time Counter: 13.6 - 14.9}

Substitute Motion: **SEN. LEWIS** made a substitute motion to **TABLE HB 73 PENDING FINDING MONEY.**

Vote: Substitute motion carried 4-3 with **REPS. BUZZAS, FRANKLIN,** and **SEN. McCARTHY** voting no by roll call vote.

{Tape: 1; Side: A; Approx. Time Counter: 15.0 - 15.5}

EXECUTIVE ACTION ON HB 459

Motion: **SEN. McCARTHY** moved **FOR PURPOSES OF DISCUSSION HB 459 DO PASS.**

Discussion:

SEN. McCARTHY said that this has a \$10 million debt with no sign of funding any place in this bill.

REP. BUZZAS passed out the amendment to this bill. She said that in response to the punitive part of the original bill that deals with increasing enrollment, the amendment occurred. She also said that she believed that the idea of counting during increasing enrollment wasn't a part of the Governor's plan.

EXHIBIT (jeh38a01)

Amy Carlson, OBPP explained that this amendment was the one that was brought to the House Education Committee. She said the amendment does two things. The first is that it delays the implementation of the removal of soft caps from July 1, 2004 to July 1, 2007. The other thing it does is that it chooses the higher of, the average, or the current year ANB. This is calculated to be an increase from \$7.1 million to just under \$10 million in the fiscal note, or an additional \$3 million more would be needed to make this bill right.

Motion: **REP. BUZZAS** moved that the **AMENDMENT FOR HB 459 BE ADOPTED.**

Discussion:

SEN. ESP said that besides the additional money in the fiscal note, the local school districts would have additional costs and that would be in soft caps. To him, he felt extending the soft caps had an unequalizing effect on some school districts. He said that he would resist this amendment on both counts.

REP. FRANKLIN asked that Madalyn Quinlan, OPI, to explain this soft cap process. **Ms. Quinlan** said that the soft caps were put in place as basically a cushion so that schools could come back to the maximum and get into the equalization window but be given a descent period to do that.

REP. LEWIS said that he would have to oppose this amendment. He said that this is the majority leader's bill, and he wasn't sure if the leader would be in favor of an additional \$3 million that would be needed if the amendment passed.

SEN. ESP said that he thought Lance Melton (Executive Director for Montana School Boards Association) said with all things being equal, if there was more money, averaging up and down would be a fairer way to accomplish this problem. But **SEN. ESP** also said that he would resist this motion. If more money is needed in education, finding a different way to fund them would be his preference.

REP. BUZZAS said for the record, she believed that Lance Melton is the one who suggested this amendment. In order to make the bill right, the additional money is needed. She also believed that Mr. Melton wasn't an advocate of the original bill.

Vote: Motion failed 3-4 with **REPS. BUZZAS, FRANKLIN, and SEN. McCARTHY** voting aye by roll call vote.

{Tape: 1; Side: A; Approx. Time Counter: 15.6 - 23.6}

Substitute Motion/Vote: **SEN. LEWIS** made a substitute motion to **TABLE HB 459**. Motion carried 7-0 by roll call vote.

{Tape: 1; Side: A; Approx. Time Counter: 23.7 - 24.5}

EXECUTIVE ACTION ON LIBRARY COMMISSION

REP. LEWIS explained to the Committee that there is the Shared Coal Tax Account that is shared by the Coal Board, the Library Commission and Conservation Districts. He said that the executive budget cut that account in half in case HB 177 passed. If HB 177 doesn't pass, there will be an additional \$160,000, or

approximately that amount that could get appropriated to the Library Commission. As of this meeting he felt that there wasn't much support for HB 177. He further said that he has gotten around 1,200 letters addressing the Library's Budget. He said "we are \$339,000 under the Governor's budget."

Motion/Vote: SEN. JOHNSON moved **REP. LEWIS'S RECOMMENDATION.**

Motion carried 7-0 by voice vote.

{Tape: 1; Side: A; Approx. Time Counter: 24.6 - 26.1}

REP. BUZZAS said, "Thank you for passing this one." But she said that the Committee members still need to work hard to find more money. This agency has taken a pretty big hit and they are relatively a small agency. Making them whole should still be a priority.

REP. LEWIS brought up funding the Library Commission through Committee Bill 491. He thought it was still a good idea to fund NRIS through TSEP funding. He said it would give them another \$100,000 down the road. **CHAIRMAN HEDGES** said one step at a time.

CHAIRMAN HEDGES closed the meeting by saying that this will be the last meeting until directed otherwise. He thanked the committee members and they thanked him. Various committee members said that **CHAIRMAN HEDGES** did a good job.

{Tape: 1; Side: A; Approx. Time Counter: 26.2 - 27.0}

ADJOURNMENT

Adjournment: 8:35 A.M.

REP. DONALD L. HEDGES, Chairman

DIANA WILLIAMS, Secretary

DH/DW

EXHIBIT (jeh38aad)